Moab Salt, Inc.

P.O. Box 1208 Moab, Utah 84532

Recieved 6-7-89

Salt and Potash Production (801) 259-7171

June 2, 1989



Mr. Lowell Braxton, Associate Director Division of Oil, Gas and Mining 355 West North Temple 3 Triad Center, Suite 350 Salt Lake City, Utah 84180-1203

DIVISION OF OIL, GAS & MINING

Re: M/019/005 Cane Creek Mining and Reclamation Plan Grand County, Utah

Dear Lowell:

Please find enclosed the revised pages of Moab Salt's Reclamation Plan (the "Plan"). As previously discussed, we are submitting only those pages for which substitution is required in the Plan. A schedule is attached which describes the revised pages and the substitutions to be made in the August 19, 1987 copy of the Plan in your file.

The changes made in the Plan are in response to your comment letter of February 23, 1989 and subsequent meetings with DOGM staff. A major change reacts to the concern of DOGM that the postmining use originally proposed by Texasgulf did not have any support or commitment. That is, DOGM commented that using the site as a recreation complex could not be accepted without some verification that such use would be economically viable.

The concept of the changes to the Plan is reclamation of the lands to as near original condition as practicably possible or, at least blend them into the surrounding area. This eliminates the uncertainty over the future of the buildings and other infrastructure at the site that would be left if the previously submitted postmining use had been pursued.

The following is a brief discussion of each of the DOGM comments in your letter:

Mr. Lowell Braxton June 2, 1989 Page 2 Reclamation Cost Estimates: We have 1. changed this estimate taking into consideration the new concept of a 10% contingency. This converts to unit costs were also re-evaluated and revised as needed. 2. pads will be reclaimed as described. 3.

- postmining use. The new total cost in 1989 dollars will be \$13,900,000 which includes \$15,500,000 in 1994 dollars using 2.3% per year inflation. This is a decrease over the previously submitted costs. The main reason for the reduction in costs is the fact that demolition of steel structures can be done at little or no cost if the salvage value of the material is taken into consideration. All of the quantities and
- Roads and Drill Pads: All of the roads and drill
- Landfill: All appropriate approvals and permits will be obtained before any construction commences on a landfill.
- 4. Salt Storage Area Reclamation: The area covered by the brine lake will also be reclaimed.
- 5. Revegetation Plan: Moab Salt will install test plots to evaluate the leaching of salt from soil and revegetation.
- 6. Water Treatment Plant: This facility will also be reclaimed.

We feel that we have addressed all the concerns that are necessary and applicable to the issuance of the mining permit. We look forward to your response.

Sincerely,

E. K. York

E.K. York

General Manager

MOAB SALT, INC. MINING AND RECLAMATION PLAN



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DIVISION OF OIL, GAS & MINING

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